



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

CN# 48-05

MEMORANDUM

To: School Health & Nutrition Program Sponsors

From: Mary Szafranski, Deputy Associate Superintendent
Arizona Department of Education, Health & Nutrition Services

Holly Mueller, Program Director
Arizona Department of Education, School Health & Nutrition Programs

Date: June 22, 2005

RE: New Requirements for Income Eligibility Determination

For School Year 2005-2006 USDA has updated the free and reduced-price income application to include new requirements mandated by Reauthorization 2004 (CN# 45-05). The updated application no longer has a field for monthly income, but instead requires the household to choose the payment schedule. New determination requirements have been created due to this income collection update. The new requirements are detailed below.

- 1) If all of a family's income is received on the **SAME** schedule, then **DO NOT** convert the income.

Example 1: Job earnings = \$100/month and Social Security = \$300/month

Use the monthly income eligibility limits found on the Income Eligibility Guidelines (IEG).

Example 2: Job earnings = \$100/week and Pension = \$150/week

Use the weekly income eligibility limits found on the IEG.

- 2) If a family has multiple sources of income that are received on **DIFFERENT** schedules then all the income **MUST** be converted to **YEARLY** using the following factors:

Yearly Income = Monthly X 12

Yearly Income = Twice Per Month X24

Yearly Income = Every Two Weeks X 26

Yearly Income = Weekly X 52

Example: Job earnings = \$100/week and Social Security = \$300/month

All income must be converted to **YEARLY** by using the appropriate conversion factor.

$\$100 \times 52 = \$5,200$ a year

$\$300 \times 12 = \$3,600$ a year

$\$5,200 + \$3,600 = \$8,800$ a year.

- 3) When converting income to yearly, **DO NOT** round the converted household income.

Example: Job earnings = \$150.40/week

$\$150.40 \times 52 = \$7,820.80$

DO NOT round to \$7,821

The changes to the certification process serve to have the following positive effects:

- Eliminate the public's perceived inaccuracies in converted household income.
- Decrease LEAs administrative responsibilities by allowing multiple income sources on the same schedule to remain unchanged.
- Increase the accuracy of converted household income to ensure proper certification.

Schools Currently Using Computer Software to Convert Household Income

Schools that currently use computer software to automatically convert all household income to monthly using the USDA conversion factors are required to work with their vendors to update their software to meet the new standards by school year 2006-2007.

NOTE: This ONLY applies to sponsors who are using software that converts all household income automatically. All other sponsors MUST implement new guidelines in school year 2005-2006.

If you have questions or concerns regarding this memo, please contact your assigned School Health & Nutrition Program Specialist at 602-542-8700.